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Abstract
Undeniably, several studies have reported on both antecedents and the consequents of infusing internet-based channel orientation into the operations of small or micro domesticated firms. However, in the developing and to be precise the African context, such studies are somewhat scant. To address this yearlong theoretical and practical gap, this study takes inspirations from the theoretical underpinnings of both micro-institutional view of the firm as well as resource strategic action. Henceforth, this study supplements the existing internet orientation literature and adds to the on-going debate why internet channel orientation stands as the focal point and engine of survival in small and midsized enterprises. In light of this, this study proposes that entrepreneurial capability of the firm and industry competition predict Internet-based channel orientation (IORIENT) of the firm. Furthermore, the study tests the assumption that the utilisation IORIENT not only potentially contributes to greater market-sensing capability but that it can also indirectly lead to firm competitiveness. Survey data from 198 firms offer initial support for the research propositions. Overall, the research study encourages firms not to only invest in Internet marketing tools but also to effectively use these tools as this is critical to their long-term competitiveness.

Keywords*: Internet Orientation, Firm's Competitiveness, Domesticated Service Firms, Drivers, Consequences*

1 INTRODUCTION

Since the late 1990s, there has been extensive research on the implications of Internet technologies to the firm [19, 6, 37,31, 21, 10,13]. While most of this research has improved our collective understanding of the criticality of the Internet to organizational well-being, there is still a lot that we do not know about how the use of the Internet as a strategic resource can effectively translate into competitive gains for the domesticated small and midsized services firm. For example, many academics and practitioners alike are still grappling with the big question on how firm orientation toward the Internet, or more technically Internet-based channel orientation (IORIENT hereafter), intersects with competitiveness of the firm. It is frequently mentioned in the journalistic, as well as academic, press that the mere adoption of (and/or invest-

ments in) Internet technologies can lead to greater firm competitiveness, this invitation paper, however, takes a sophisticated view of the relationship between IORIENT and firm competitiveness by arguing that it is (absolutely) not straightforward. The thinking behind the argument is that since IORIENT is a lower-order strategic resource, its effect on firm outcomes particularly the construct competitiveness will be most likely mediated by a higher-order strategic resource of the firm which we refer here to as 'market sensing capability' [17,11,53]. Besides, some studies have revealed that orientations such as IORIENT and/or digital technologies use are incapable of directly improving firm competitiveness) [37]. While the above argument makes sense, it remains to be explicitly investigated.

Besides, empirical information on the influential predictors of IORIENT in the firm particularly in the domesticated small to midsize services firm is barely available in the literature. Although scant but growing body of work argues that the construct entrepreneurial capability (ENCAP) plays an important role for Internet capabilities, with a particular focus on marketing functions particularly relating to marketing functions [8,35,17]; past research studies, such as the research of Mostafa et al. [35], have called upon investigators to explicitly investigate the commonly overlooked link between ENCAP and commitment toward the use of Internet for performing marketing related tasks (i.e., ORIENT). This invitation paper heeds to the call. At the same time, a growing body of research [2] writes that micro-institutional factors (including the degree of industry competition) dictate that firms leverage IORIENT as a means for them to remain relevant in this era of increasing digitalisation. As such, it is important to understand whether extraneous factors, such as the degree of industry competition (hereafter: INDCOM), incentivize the small to midsize services firm to develop greater IORIENT.

Indeed, a new analysis presented a detailed analysis of the contribution of competitive pressures on the Mexican firm's ability to take advantage of Internet-based tools [25] whether the finding extends to the domesticated small and midsized services firm as well as countries outside Mexico is not known yet. As such, it is important to understand whether extraneous factors, such as the degree of industry competition (hereafter: INDCOM), incentivize the small to midsize services firm to develop greater IORIENT It is against the background that this study is cast in the resource - strategic action - competitive advantage framework [30] combined with the micro-institutional view of the firm to identify the process through which IORIENT potentially leads to greater firm competitiveness. Similarly, this framework is relied upon to explicitly assess the relationship between the themes of IORIENT, INDCOMP, and ENCAP; arguing that the latter two are strong predictors of the former (i.e. IORIENT). In integrating these two lenses, we believe this study shines a bright light on the antecedent and consequent factors of IORIENT. As such, our contributions to knowledge in this area should be seen in this light. Overall, the intended purpose has been to stimulate new academic thinking in this area. To recap, while there are no shortages of ideas on how the domesticated small to midsize service firms can gain competitiveness in today's extremely challenging business environment, our focus here is majorly understanding the process through which IORIENT potentially influences firm competitiveness The initial findings of this research could also be interesting to owner-managers of the domesticated (small to midsize) organization who are

deeply concerned about finding more practical and/or sustainable paths to their organizational competitiveness.

The rest of the paper is outlined as follows; theoretical underpinnings (background) of the study is elaborated, conceptual development and subsequent hypotheses are provided, Data collection procedure and sample overview follows suit, finally discussions and recommendations as well as limitations of the study are given.

2 Theoretical background

This study is cast in the resource- strategic action- competitive advantage framework combined with the micro-institutional view of the firm [30]. To understand competitiveness inherent in the domesticated services firms under the perspective of Internet-based channel orientation (Herein refer as ORIENT), as earlier stipulated we review two streams of research. The resource- strategic action- competitive advantage framework attest to the fact that most decisions of the firms are embedded in the internal strategies geared towards practical and prolific attributes initiated by the firm. Again, this theory is seen as one of the most influential theories used by researchers to model continuance existence of micro enterprises [44]. Whiles micro-institutional view of the domesticated firm pinpoints on the radical innovations bedeviling the implementation of innovations that will broaden and compete in sustenance within the business front [39, 50]. Hence the presence study lay it grounds on combined theory of resource- strategic action- competitive advantage and micro-institutional view of firm to obtain a deeper insight for the aforementioned theme. Again, these attributes intend enhance the enactment of smooth operations of the firm in question [4]. Hence, the multiple actions taken by organisations surfaces a positive outcome at the longer run in terms of competition, sustainability among others for the small-midsized firms. As earlier on mentioned, this study is poached and serves as one of the fundamental basis for this study.

The basic argument of the strategic action theory is that micro enterprises in their bid to sustain in the business front does not entirely Centre on their internal activities, but also of competitive and the environmental factors. Reflecting on the works of Aragón-Correae et al, [3] the underlying premise for the survival of midsized or micro enterprises are regulated by the quantum of the competitive nature of the business, and by the environment through external forces. Tilley [49] opines that for efficiency and effectiveness of the micro enterprises, there should be an innate collaboration of both internal resources and the skills. With this in mind, Russo and Fouts [45] went ahead to cite the example of Michael Porter's analysis of industry organogram and the competitive nature in terms of positioning. Alternatively, the rational of the micro institutional perspective of the firm here elaborates on the cohesion of different strategic thought to curb these so crises at the shorter to longer run of domesticated firms.

3 Conceptual development and hypotheses

Figure 1 depicts the constructs Entrepreneurial capability (ENCAP) and industry competitiveness (INDCOMP) as independent variable predicting internet based channel orientation (ORIENT) as dependent whiles Marketing sensing capability (MKTSENSE) is dependent on internet based channel orientation yet predicting competitive advantage. This competitive advantage is however controlled by training and

investments. Even though marketing sensing capability mediates competitive advantage and internet based channel orientation.

3.1 Entrepreneurial Capability (ENCAP) and Internet-Based Channel Orientation IORIENT

In relations to the entrepreneurial capability of the firm, Muthee and Ngugi [36] in their study on the influence of entrepreneurial marketing on growth of SMEs in Kenya, they make a case to link the competitiveness of SMEs and their continued survival to entrepreneurial marketing strategies. They find that a lack of entrepreneurial marketing strategies anchored on innovation and technologies such as e-CRM and internet based technologies could significantly constrain the competitiveness of SMEs. Their findings are supported by a similar study that investigated the impact of e-CRM in SMEs conducted by Harrigan et.al. [20] in Northern Ireland, they find that the use of internet technologies can significantly improve customer relationships with SMEs and also help them in expanding into new markets by reducing barriers to entry, this is significant because they do not have sufficient financial resources to enter new markets through traditional marketing means. Hence, it is evident that the effective deployment of internet-based channels has become an effective equaliser for SMEs. Zeng and Glaister [52] adopt a "firm specific advantages" (FSAs) perspective in entrepreneurial capabilities of the firm and the benefits derivable from internet based channels. They argue that for companies that adopt an internet only channel such as internet platform companies (IPCs), they are able to achieve sustainable competitive advantage because they are able to achieve levels of flexibility and experimentation that are uncommon with other companies who go through the traditional route in engaging clients. Based on evidence above; there is sufficient ground to propose the hypothesis that:

H1a*: Holding other factors constant, ENCAP positively predicts IORIENT*

3.2 Industry Competitiveness (INDCOMP) and Internet-Based Channel Orientation (IORIENT)

While in terms of industry competitiveness, Chaston and Mangles [12] argue that technology especially when deployed strategically through internet marketing especially internet based channels, offer an effective pathway for both small and large firms to enhance their existing, and transactional marketing strategies. This can also be viewed from the perspective of transactional marketing orientation which is linked to the firm's operating expenses (OPEX). This view is supported by Anandarajan et.al. [1], in their study, they observed that firms exhibited a transactional marketing orientation through their commitment to using technology in achieving cost reduction across all aspects of their firm's transaction processes, from initial inquiry through to post-purchase product usage and support. Their study identified a number of opportunities for achieving operational cost reductions when using the internet to manage business-to-business (B2B) supply chains. For impact on customer relationships, it is important to understand how internet based channel orientation can be beneficial to a domesticated small business operator in its quest to create new customers or retain already existing customers. Communication is the primary utility provided by the internet and other information and communications technologies (ICTs), while communication is at the very heart of marketing for big business organisations and SMEs [12,33]. Harrigan e tal [21] agree with the important role of communication in im-

proving SME competitiveness, they argue that SMEs relationships with customers offers them a major competitive advantage over larger competitors, especially technologies such as e-CRM offer significant opportunities to improve such relationships. Based on evidence above, there is sufficient ground to propose the hypothesis that:

***H1b**: Holding other factors constant, managerial perceptions regarding INDCOMP positively predict IORIENT*

3.3 Internet-based channel orientation(IORIENT) and Market Sensing Capabilities (MKTSENSE)

To understand how internet based channel orientation impacts the entrepreneurial capabilities of SMEs especially from the perspective of industry competitiveness and market sensing capabilities, it is imperative to adopt an approach that investigates internet marketing by examining its impacts through considerations of impact assessment viewed from a multidimensional approach that covers areas of SME performance in terms of impact on customer relationships, financial performance (profit and loss, balance sheet), impact on operating expenditures (OPEX), and brand equity. Hence, competitive advantage is very important for every SME because it is a guarantor of sustainable growth. The entrepreneurial capability of the firm is anchored on its competitive advantage, which emanates from innate SME communication activities such as interacting and participating in social, business and trade activities which altogether form a veritable source of market intelligence upon which SME business strategy can be anchored [38].

Hence, the customer relationship management (CRM) component of its internet marketing activities should have as its primary objective, to shape the customers' perceptions of the firm through a process that identifies its customer segment, create customer knowledge, and build committed customer relationships [43]. Also, they acknowledge the importance of CRM as an integral component of a firm's business strategy because of its usefulness in managing and optimising all customer interactions across the firm's traditional and internet based channels. Hence, the following hypothesis is proposed:

***H2**: Holding other factors constant, IORIENT positively predicts MKSENSE.*

3.4 Internet-Based Channel Orientation (IORIENT), Market Sensing Capabilities (MKTSENSE) and Competitive Advantage (COMPADV)

Porter [40] argued that "many of the companies that succeed will be ones that use the Internet as a complement to traditional ways of competing, not those that set their Internet initiatives apart from their established operations." Several authors have acknowledged in general that "internet technology provides better opportunities for companies to establish distinctive strategic positioning than did previous generations of information technology" [40]. Leeflang e tal [33] agree with this view, they argue that as usage of the Internet continues to explode across the world, digital based channels are becoming an increasingly important source of competitive advantage in both Business 2 Consumer (B2C) and Business 2 Business (B2B), they cite different examples of companies that have recorded significant successes by effectively deploying internet based channels as a means of boosting their competitive positions in the market.

Nevertheless, they also point out some of the challenges faced by companies in effectively harnessing internet based channels with regards to their market sensing capabilities, some of these challenges are: the inability to generate and leverage deep customer insights, managing brand reputation in a marketing environment prone to excessive influence of social media, and how to measure the effectiveness of digital marketing efforts [33]. As Porter [40] argues, internet technology is an enabling technology—a powerful set of tools that can be used, wisely or unwisely, in almost any industry and as part of almost any strategy. Hence, this makes it imperative to investigate further by proposing the hypothesis below as it would further illuminate the relationship between internet based channel orientation and competitive advantage by controlling for factors such as investments in training and market sensing capabilities of the firm.

H3 *Controlling for investments in training, MKTSENSE positively mediates the relationship between IORIENT and COMPADV*

This explorative study is guided by the conceptual framework seen in Figure 1 below:

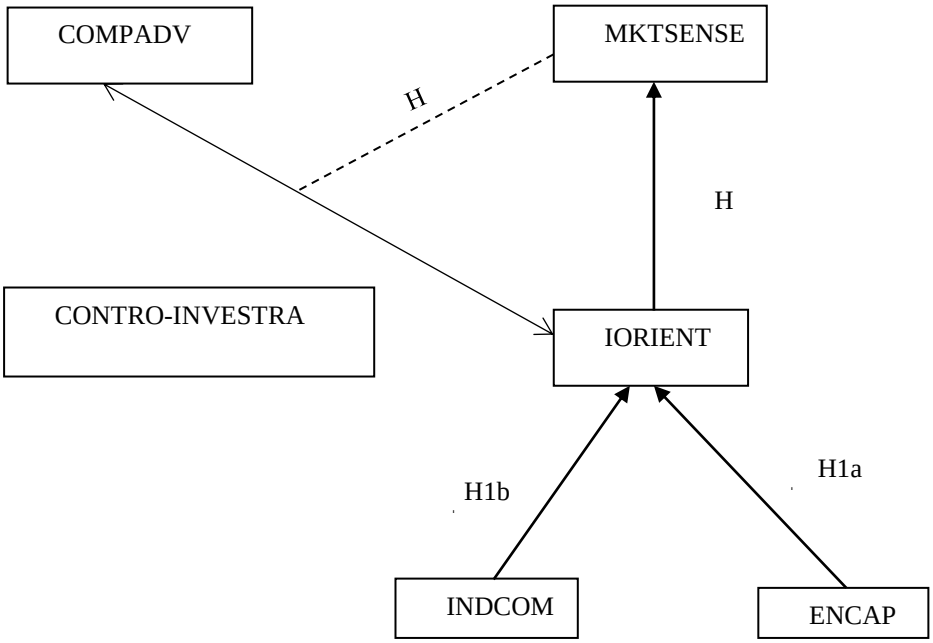

Figure 1. The conceptual model and hypotheses

4 Data collection procedure and sample overview

This study uses self-reported surveys. Survey method was adhered to because it is suitably relied upon as one of the approaches used in the social sciences to empirically study variables or units under investigations [53-54]. We should note that the instrument and sample data used in the current analysis came from a recent faculty-

sponsored research project that mainly targeted the domesticated firms in Nigeria, typically micro, small and medium-sized firms. However, in this study, the focus is on boutique financial services firms, mainly insurance brokers (micro finance banks). In the end, out of 221 completed responses, 198 were found to be eligible and then used in the analysis. Demographically, all the firms employ between 10 and 49 employees. Most (i.e., about 83%) of the respondents were male executives. Geographically, all the participating firms are located in southern Nigeria. Finally, about 51 percent of the firms reported that they invest, at least on a yearly basis, in the human capital development of their people assets.

4.1 Statistical technique

In terms of the statistical method, this study relied exclusively on PLS-SEM (for an overview of the benefits of this technique in performing organisation study [18]. All the statistical computations have been (effortlessly) aided by ADANCO 2.0 [22] and the IBM SPSS Statistics software.

4.2 Measures

Apart from the new scale on IORIENT, this study makes use of existing scales. Specifically, COMPADV is operationalized using a two-item scale borrowed from the initial work of Hinson e tal [42]. The scale for managerial perceptions of INDCOMP is well-established in the literature [27, 47], INDCOMP was measured using a three-item scale adapted from Jaworski and Kohli [27]. Similarly, the five-item measure for ENCAP was extensively borrowed from the work of Laukkanen e tal [32]. Finally, the two-items measuring MKSENSE were from a recent study Fang e tal [15]. All the scales were measured on a five-point scale, ranging from strongly disagree to strongly agree.

4.3 Hypotheses Testing

With a quick preview of the path coefficients on the constructs Industry competitiveness linked with Internet –based channel orientation seems to have the strongest (direct) effect to enhance smooth operations of small and midsized firms ($\beta = 0.529$, $p \leq 0.001$), followed by Market- sensing capabilities ($\beta = 0.512$, $p \leq 0.001$) and with Entrepreneurial capability recording a weak but significant effect of ORIENT ($\beta = 0.201$, $p \leq 0.001$).In our case of showing the significant relationships of our constructs, we test the indirect effect of our construct indicating that ORIENT and COMPADV are mediated to and contends that is insufficient to achieve strong gains in firm competitiveness but rather this effect is indirectly anchored via MKTSENSE ($\beta = 0.326$, $p \leq 0.001$).Based on the analysis retrieved from Table 3,we can affirm that all our hypothetical relationships are statistically significant. Hence, all our four (4) hypothesis are supported.

Again, TRAINIV correlated significantly with COMPADV ($\beta = 0.322$, t=5.100, $p \leq 0.001$) which offers support for H3. Whiles IORIENT and COMPADV are indirectly mediated with MKTSENSE ($\beta = 0.162$, t=3.517, $p \leq 0.001$) even though the relationship is moderately weak.

4.4 Construct reliability and validity

In line with recent recommendations in the PLS-SEM literature, the constructs' reliabilities were checked using Dijkstra-Henseler's rho along with Cronbach's alpha coefficients. As shown in Table 2., all the values exceeded the cut-off values of 0.7. At the same time, the loadings of the reflective constructs were all ≥ 0.89. Concerning convergent validity, as shown in Table 1., AVEs exceeded the minimum threshold of 0.5. Regarding discriminant validity, apart from using the well-known Fornell-Lacker's (1981) criterion; this study also uses the recently introduced Heterotrait-monotrait (HTMT) criterion by Henseler e tal [23]. Results from the two criteria indicated that constructs satisfy both basic and stringent assumptions of discriminant validity. More specifically, using the HTMT inferential statistics it produced 0.89 for MSENSE and INDCOMP (output not presented here but it is available on request). Taken together, our constructs not only display good internal consistency, but they also have higher reliabilities; convergent and discriminant validity are equally supported (see Table 1)

Table 1: Construct reliability and convergent validity

Construct		Indicator reliability	Dijkstra-Henseler's rho (ρA)	Cronbach's alpha(α)	AVE
ENCAP			0.97	0.97	0.89
	Encap1	0.87[68.99]			
	Encap2	0.93[134.63]			
	Encap3	0.87[46.77]			
	Encap4	0.90[86.24]			
	Encap5	0.89[83.90]			
IORIENT			0.94	0.93	0.88
	Iorient1	0.81[37.11]			
	Iorient2	0.94[188.69]			
	Iorient3	0.87[62.96]			
MKSENSE			0.97	0.97	0.95
	Mksense1	0.96[71.35]			
	Mksense2	0.93[55.81]			
COMPADV			0.90	0.90	0.91
	Compadv1				
	Compadv2				
INDCOMP					
	Indcomp1	0.82[70.33]	0.89	0.88	0.81
	Indcomp2	0.79[38.47]			
	Indcomp3	0.80[43.69]			

Note: [] indicates t-values of loadings; n = 198 with 1000 bootstrap attempts
indicator reliability is loadings2
sources: Authors computation from ADANCO

5 General Discussions

In this study, we have demonstrated and empirically tested a model of Internet-based channel orientation (IORIENT hereafter) as a touchstone of proffering a strategically position of small and midsized firms. This study was spearheaded by knowledge acquisition attributed to market sensing capabilities, competitive advantage of the firm, entrepreneurial capabilities as well as the industry competitive phenomenon. We argued that both entrepreneurial capability of the firm and industry competition envisage Internet-based channel orientation (IORENT) of the firm, yet the effect of IORIENT in the long run do not only enhance a greater market-sensing capability but can ultimately aid in a firms' competitiveness.

As a matter of fact, recent research works corroborates the assertion of IORIENT in creating an enabling environment for competitive advantages, given the current technological and digital world firms find themselves nowadays [48,41]. In this circumstances, the onus of the matter lies in the ability of the firms to position itself with the ever changing technological dispensation. Our findings however show the more or the magnitude of in which SMEs integrates IORIENT, the greater the propensity to lure more customers into their fold and hence surpasses the enormous competition to sustain in the wider business front. This assertion is consistent with the works of [7,35,10, 19] which concluded that the milieu of effective competition is hinged on implementation of internet based orientation.

This study harnesses the entrepreneurial capability with the internet based circumstances governing small and midsized companies, in the wake of taking off from downstream businesses like the earlier instigated, it becomes prudent for such companies to adopt and blend these two scenarios into their fold. On this note, our findings uphold this affirmation with statistically significant measures or hypothesis. Moreover, as the core mandate of every business, thus being micro or small size company to survive in this competitive business front, it is expedient to take a careful look at how this situation could be achieved since it becomes the engine of survival in the business front. Hence, our finding indicates that there is a positive relationships emanating from these two streams, thus from both industry competitiveness and the internet based channel orientation. This finding affirms that of Jones et al, [28] who argued from that same angle, as well as Foley, & Fahy [16] who opined that the interrelationships between the business and its counterparts coexist and fused together to ensure sustainability. Hence, the for businesses like small and midsized to adopt internet based orientation at the initial stages of its operations, it should consider the environment in which they are bent on operating, that is to say the kind of customers they are in to deal with.

In all these significant contributions, our findings initiates and proposes that, the managerial suggestion of the small and midsized governing the competitivity and sustainability hinges on the tendency to realize and measure the training and development of the firm. This in effect will serve as a cornerstone for blending both internet based channel orientation to outwit the competitive nature that awaits the firm in the shorter to longer run. In this scenario, our findings confirmed that indeed there is a significant relationship between those two earlier on mentioned constructs with the focus of training and development being the interception.

6 Conclusion

This research drew inferences from both resource- strategic action- competitive advantage and micro-institutional theory with the aim of testing the antecedence of how entrepreneurial capability of the firm and industry competition predict Internet-based channel orientation (IORIENT of the firm. Our research constructs elucidate how internet based channel orientation and entrepreneurial capability mediate the influence of competitiveness of the domesticated small sized firms. Analyses grounded on 198 SMEs from a domesticated enterprise in Africa's' biggest economy (Nigeria) corroborated with constructs relationships elicited for the research.

This study attempts to fill the yearlong theoretical and empirical gap governing small and midsized firms in the developing economies. As the internet has come to stay, and companies are incorporating it into their businesses with the aim of multiple reasons, such as creating customer loyalty, reaching out to customers etc. This study thus provides an empirical insight on firms (financial firms), specifically small and midsized firms on how best they can sustain in the business. Unlike any other research and consistent with the fact that this is one of the first study in the African sub region and in particular the Nigerian context, this study is not immune to limitations. While there are multiple reasons that can be outlined in the limitations. It is expedient and reasonable to outline some of the set-back and limitations of the research that stands out.

First, the findings of the study cannot be generalised around the length and breadth of the entire African sub region. As we can appreciate, the study was centred on a particular segment even within the Nigerian context. We therefore encourage researchers stimulate a wake-up call for researchers in the academia and the industry to look at other part or segment of the African sub regions or the developing countries as a whole. Secondly, the data used for our study was entirely cross-sectional and hence looked at the relationships between the enumerated variables. This in its simplest understanding calls for future research on embarking on longitudinal research so as to test for the causality of the variables.

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